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SEP 28 1953

MEMORANDUM FOR: Acting Deputy Director, Administration

THRU : Chief of Administration, DD/P

SUBJECT : Survey Report of the [REDACTED] NEA/ADMIN-
ISTRATION

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1. PROBLEM. To re-evaluate [REDACTED] positions within the NEA Division with a view toward determining

a. The appropriate location organizationally for the most economic and efficient performance of essential [REDACTED] and

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b. The number of personnel estimated to be required for the performance of such functions.

2. FACTS BEARING ON THE PROBLEM.

a. This analysis is restricted to the [REDACTED] NEA and its relation to the headquarters branches and field stations of the Divisions, to projects operated by the Division, to present budget and fiscal procedures, and to an analysis of the work factors of the [REDACTED]

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b. Technical aid and advice was given the Management Office in the making of this analysis by [REDACTED] of the Technical Accounting Staff of the Comptroller's Office and [REDACTED] of Finance Division.

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c. The [REDACTED] NEA now has a staff of six regular assigned employees. The Section has accumulated a total of 110 hours of overtime for the months of June, July, and August 1953. However, during this same period employees were away from their duties a total of 200 hours on either sick or annual leave.

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d. Paragraph 2c of NEA/CIA Bulletin [REDACTED] dated 15 September 1952, stated that, [REDACTED] will be responsible for the accomplishment of all actions necessary on budget and finance matters in support of personnel and activities within the NEA Division's responsibility to include:

(1) Pay and allowances

(2) Time and attendance

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- (3) Budget allotments
 - (4) Obligation Reports and Records
 - (5) Budget estimates
 - (6) Travel orders
 - (7) Request for advances
 - (8) Reimbursement Vouchers
 - (9) Review of field accountings
 - (10) Miscellaneous finance and travel services
- e. Allotment ledgers wherein individual obligations can be liquidated are maintained. The Section has already installed the New Allotment Control Records as prescribed in [REDACTED] dated 30 June 1953.
- f. The NSA [REDACTED] was previously surveyed by the Management Office and a report rendered under date of 2 July 1953. Most of the recommendations suggested in this previous report have been installed. These include:
- (1) Centralizing the accounting of all FI projects in the Budget and Fiscal Section. 25X1A
 - (2) Routing of Request for [REDACTED] Section. 25X1C4a
 - (3) Certification of availability of funds by the Division Budget and Fiscal Officer rather than by Finance Division Certifying Officer.
 - (4) More realistic estimates of obligations pertaining to transportation of household goods, personal effects, and/or automobiles.
 - (5) Routing of Travel Vouchers (Form No. 33-12).
 - (6) Routing of Accounting by Individual for Advance (Form No. 33-16).
 - (7) Routing of cables pertaining to an authorization to expend funds.
 - (8) Routing of memorandums authorizing overseas language training for field station personnel.
 - (9) Change in internal mail procedure of the Section.
 - (10) Use of field station Summary Accountings as posting documents.

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- g. Although no instructions have been received by the Section as to what types of records need to be maintained within the Division relative to control of funds allotted to Logistics Office, "A" for 02 and 09 classes of Equipment and Supplies, the Chief of the Budget and Fiscal Section and Chief of Logistics Section have agreed that the [REDACTED] will continue to keep Allotment Control Records on funds allotted to the Division on all projects and the Logistics Section will maintain a simple memorandum record on the "authority to withdraw Equipment and/or Supplies" on all approved projects. This is the same procedure as was recommended by the Technical Accounting Staff, Office of the Comptroller, and as also recommended in previous report submitted on the [REDACTED] Division, dated 4 September 1953.

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3. DISCUSSION.

- a. No actual record of work loads was available in the Section. The following estimate, however, was made by Chief of the Section as to the apportionment of time of his personnel during a month.

<u>Type of Work load</u>	<u>Hours per month</u>
Preparing reports	
Preparing field sub-allotments	
Ledger postings	
Approval of funds	
Cables prepared	
Cables and dispatches routed through Section for concurrence	
Conferences and meetings	
Budget preparation	
Review of proposed regulatory issuances	
Agent duty status reports prepared and reviewed	
Maintenance of Taxi fund	
Preparing of travel vouchers	
Preparing travel orders	
Preparing Request for advances	
Preparing and reviewing claims	
Maintenance of Time & Attendance Reports	
Distributing pay checks	
Review of [REDACTED] Costs	
Review of projects for Administrative Plans	
Preparation of Reimbursement Vouchers	
Maintenance of pending file on termination dates of contracts and maintenance of correspondence control on finance matters	
Miscellaneous (review of vouchers, TSP runs, liaison, estimating obligations, training, etc.)	
Total	

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- b. It is noted that an estimated forty hours per month is devoted to "Budget preparation". The WPA Division has a total annual budget of approximately [REDACTED]. There are approximately [REDACTED] people on duty within the headquarters and overseas stations of the Division. The Division has [REDACTED] Class A Stations and [REDACTED] Class B Stations. The [REDACTED] maintains records on the following allotments:

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Headquarters vouchered
Headquarters unvouchered
26 Overseas Administrative Expense accounts

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The Chief of the Section stated that he believes this time element can be reduced by more coordination between elements of the D/P and D/P on Budget calls and the substantiating data requested.

- c. The WPA Division's procedure for handling Field Station accountings is considered effective and is believed to be worthy of comment. Upon receipt of the Field Station accounting by the Division, it is forwarded to the [REDACTED] where the allotment numbers charged are checked. If it is found that a wrong allotment has been charged, a change is made and the correct allotment number is cited, a copy is pulled for the obligating document, and the original is forwarded to the Area Desk of the Branch concerned, for operational review. Should the Area Desk question any item, a dispatch to the field is prepared and a copy of the dispatch is forwarded with the accounting to Finance Division. No attempt is made in the Division to audit these accountings since this function is recognized by the Division as being a responsibility of Finance Division.

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- d. Personnel of the Section estimate that approximately 15% of the travel orders written required amendments. They stated that most of these were made necessary by change in dates of travel and changes in itinerary. The Division uses a "Request for Travel Orders" form which is initiated in the Branch and forwarded to the Budget and Fiscal Section where the travel order is written (See Tab A). In previous reports submitted on other Area Divisions, a recommendation has been made that subject to the completion of an overall study of the D/P, the function of preparing travel orders be withdrawn from all Area Divisions and Staff elements of the D/P and assigned to the Central Processing Branch. It is believed that a form designed along such lines as this one could be used. Since the preparation of travel

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order amendments is time consuming, all elements of the Division should be informed that it is their responsibility to give all essential and accurate information on the Request for Travel Orders Form before forwarding same to the Travel Clerk. The [REDACTED] should periodically inform the Chief of the Administrative Staff of those elements of the Division requesting an unwarranted number of Travel Order Amendments together with the reasons for same. Administrative action should then be taken with a view toward decreasing the number of amendments requested.

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- e. It was found that there were instances where staff employees were improperly charged. It was reported that the Chief of the Administrative Staff has taken action to have the [REDACTED] check the Division payrolls to determine whether or not staff employees are properly charged.

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- f. As was found in all other Area Divisions previously examined, the AAA Division is having difficulty in estimating and liquidating those obligations arising from the Request for Shipment (Form No. 36-1). Transportation Division of Logistics Office, OMA states that it is completing a schedule whereby shipment charges may be estimated and the Technical Accounting Staff of the Comptroller's Office is working on a procedure whereby the expenditures on the IBM Machine accounting run may be identified for liquidating these obligations. To date, however, neither the schedule for estimating obligations nor a method for identifying the liquidations of these obligations have reached the Area Division level and there are therefore no accurate records of O3 money in the Budget and Fiscal Sections of the various Area Divisions.

- g. An analysis of the work load of the Section disclosed that one hundred and sixty (160) hours per month was being expended by this Division performing the function of preparing travel vouchers. The [REDACTED] should discontinue this function, and the employees should be encouraged to utilize Central Processing Branch in accordance with Agency Notice [REDACTED] paragraph 3.

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- h. An estimated ninety (90) hours was expended by personnel of the [REDACTED] on the function of preparing travel orders. It is also believed that a study should be made to determine whether the centralization of this function in the Central Processing Branch can be effected and thereby reduce the number of people within the Agency performing this function.

- i. Certain actions on cables and dispatches to the field pertaining to purely technical finance matters have been assigned to Finance Division by [REDACTED] dated 1 June 1963. These functions have been enumerated in reports previously submitted on other Area Divisions. The Section estimates that 60 hours per month is consumed by giving concurrence on all cables and dispatches routed through the Division. Most of this time can be attributed to reviewing and concurring on actions arising from those functions specified in the above mentioned

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It is conceivable that much of this work load can be eliminated by giving releasing authority to Finance Division on purely technical finance matters which do not involve operations. Discussion on this point with individuals in the Section indicated that opposition to this suggestion was based on the following points:

- (1) Some dispatches and cables were not now thoroughly checked for factual content by personnel in Finance Division before releasing them to the Division for concurrence.

Note: This would appear to be a criticism of personnel who perform certain duties rather than a criticism of the proposed procedure.

- (2) The feeling exists that any dispatch or cable wherein Finance Division takes any action of a disallowment nature should be coordinated with the Area Division prior to its release.
- (3) In all cases the Division should be thoroughly cognizant of all dispatches and cables going to the field.

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Attempts were made to stress the point that the suggestion did not include any items of an operational nature but only those of a purely technical finance nature as specified in [REDACTED] the action on which is at present a responsibility of Finance Division. From a purely objective standpoint, it is believed that, in the interest of speed and efficiency, consideration should be given to the suggestion of giving Finance Division releasing authority on all purely technical finance dispatches and cables.

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- j. The Chief of the [REDACTED] stated that, although there were a number of items on the July 1953 accounting form which he could not identify, it was a considerable improvement over previous ones submitted to him by Finance Division. Work on this project is and should be continued by the Technical Accounting Staff of the Comptroller's Office.

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- k. Some of the Field Station Accountings now being received by the Division are not, in all cases, indicating the proper allotment number to be charged. This is an educational matter and the [REDACTED] of the NEA Division has initiated action to correct this by publishing NEA Administrative Circular #31, subject: Fiscal Accounting for Station Expenses, dated 20 July 1953 (See Tab 9).

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- l. An employee suggestion has been submitted by the Finance Officer of the Division as follows:

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"A simple method of providing travel authority for employees entering training at [REDACTED]. The obligation is usually \$3.00 or less, however, the cost of processing individual orders must

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cost the Agency \$50.00 per order. This remedy could be applied to local travel (mileage claims) for local use of personal owned vehicles. Processing of 2 to 10 claims must cost the Agency close to \$100.00 (this includes the orders as well as the voucher)."

Although there are certain parts of this suggestion which from a control standpoint do not appear to be feasible, it is believed that it has sufficient merit to warrant a study to determine if the costs of processing small travel claims can be reduced. After discussing this problem with representatives of Finance Division, it is believed that a facility can be established in Finance Division whereby cash payments may be immediately made on an over-the-counter basis. These payments would be for any travel under \$25.00 in which no per diem is involved, telephone calls and other miscellaneous expenses (exclusive of entertainment). This would involve the drafting of a simplified combined Travel Order and Voucher and a procedure whereby the claim for reimbursement would be submitted to Finance Division properly signed by the appropriate Approving Officer of the Area Division concerned.

- m. It was stated that there are a number of cases wherein a Request for Advance is made up for less than \$10. This is a costly procedure and should be made the subject of study to determine whether or not all are necessary or if some less costly procedure can not be devised for Advances less than \$10.00.

3. RECOMMENDATIONS.

- a. Organizationally the [REDACTED] is appropriately located as a Section of the Administrative Staff of the Division. The Chief of the Administrative Staff is giving adequate support to the Chief of the [REDACTED]. It is imperative, however, that the Chief of the Administrative Staff continue to bring to the attention of all elements of the Division that all allotments are made to the Chief of the Division, that no documents obligating these funds be released by the Division without the certification of the Chief, [REDACTED] or his designee that funds are available in the allotment charged, and that the primary missions of the [REDACTED] is to prepare annual budgets, to assure the Chief of the Division that funds allotted to him will not be over-obligated, and Finance activities of an Administrative Staff support nature.
- b. Most of the deficiencies found in a previous study of this Section have been corrected and notable progress has been made since the previous Management Office report, dated 2 July 1953, was rendered.
- c. Many of the inadequacies which now prevent the maintaining of accurate financial records by the WEA Division [REDACTED] are caused by deficiencies over which the Area Division has no control. These include a method of liquidating obligations arising from Request for Shipment (Form No. 36-h) and better identification of items

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appearing on the monthly IBM accounting machine run submitted to the Division by Finance Division. As previously stated in this report, the July IBM accounting machine run shows a decided improvement over those submitted in prior months but is not yet to a place where it can be said that it is adequate. The Technical Accounting Staff, Office of the Comptroller is working with both the Area Divisions and Finance Division to improve this situation.

h. ~~ADMINISTRATIVE~~.

a. It is recommended that:

(1) Instructions be given all [redacted] of the various Area Divisions relative to procedures, types of records to be maintained on the property authorization control procedure of 08 and 09 funds. 25X1A

(2) Names such as "Budget Office", [redacted] 25X1A
[redacted] are applied to those sections of the Administrative Staff of the various Area Divisions performing budget, fiscal, and finance functions. Since the terminology "Budget and Fiscal Officers" is used in regulations (ISA [redacted]) it is recommended that, in the interest of standardization, the terminology [redacted] be used throughout the Area Divisions of the D/P when referring to these sections. 25X1A

(3) The Personnel Section of the Administrative Staff be required to continue its check periodically of the Division payroll to determine whether or not the field staff employees are properly charged.

(4) A study be made to determine the feasibility of charging all transportation charges exclusive of those necessary for the movement of personal effects against one allotment.

(5) The [redacted] discontinue the function of preparing Travel Vouchers for staff employees, and the employees be encouraged to utilize Central Processing Branch in accordance with Agency Notice [redacted] paragraph 3. 25X1A

(6) A study should be made to determine whether the functions of preparing travel orders can be withdrawn from all Area Divisions and Staff elements of the D/P and assigned to the Central Processing Branch. It is believed that this centralization would reduce not only the number of amendments to travel orders now being prepared and thereby reduce the number of personnel necessary to perform this function but also the number of electric typewriters now needed in the D/P element.

(7) Those Division elements responsible for initiating a request for travel orders be instructed to be as exact and specific as possible

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in their initial request and thereby decrease the number of travel order amendments.

(8) Relinquishing authority on dispatches and cables to the field pertaining to purely technical finance matters as specified in RSN [REDACTED] dated 1 June 1953 be delegated to Chief of Finance Division.

(9) The Comptroller's Office in conjunction with the appropriate element of the D/P institute a more effective inspection and audit program whereby all Area Division [REDACTED] will be periodically inspected and audited.

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(10) The elements of the D/P and Office of the Comptroller continue their efforts to work out a uniform method of identifying obligations and expenditures.

(11) Consideration be given to establishing in Finance Division a facility whereby cash payments may be immediately made on an over-the-counter basis. These payments to be for any travel under \$25 in which no per diem is involved, telephone calls and other miscellaneous expenses (exclusive of entertainment).

(12) An administrative effort be made to limit the preparation of Requests for Advances for less than \$10.

(13) In order to conserve time and effort and eliminate confusion at the Division level, future Budget calls and the requests for substantiating data should be thoroughly coordinated between elements of the D/A and the D/P prior to issuing such calls (See paragraph 3b).

(14) The present staff of six people is believed to be adequate to perform the present functions assigned to the Section. However, at such time as recommendations 5 and 6 are accepted and installed it is believed that the T/ can be reduced to four.

[REDACTED]

Management Examiner

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Attachments:

Taka A and B

Technical Advisors:

Chief of Finance Division Representative

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Technical Accounting Staff
Office of the Comptroller

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Concurrence:

Comptroller's Office Representative

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Approved:

Assistant Management Officer CB/1
(For Landestine Services)

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W. L. Seal
Management Officer, CB/1

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